

Table 19  
Average Asset Class Composition of Total Investment Pool Assets

Investment Pool Assets	Equity %	Fixed Income %	Real Estate %	Cash	Hedge Funds %	Private Equity	Venture Capital %	Natural Resources %	Other %
Greater Than \$1.0 Billion	45.1	20.5	4.3	1.9	17.8	4.3	3.9	1.7	0.5
\$501 Million - \$1.0 Billion	56.4	19.5	3.9	1.3	11.4	3.5	2.4	0.8	0.8
\$101 Million - \$500 Million	56.9	25.3	2.8	2.8	6.7	1.7	1.5	1.6	0.7
\$51 Million - \$100 Million	60.8	27.5	2.6	3.5	4.1	0.2	0.2	0.1	0.9
\$25 Million - \$50 Million	59.8	28.7	2.4	3.9	3.2	0.3	0.3	0.1	1.3
Less Than \$25 Million	55.4	31	2.2	4.8	1.3	0.2	0.1	2.0	2.9
Public	57.2	29.1	2.6	3.7	3.5	0.6	0.8	0.5	2.0
Independent	57.3	25.7	2.8	4.0	5.9	1.1	1.2	0.5	1.4
Dollar-Weighted Average	50.2	23.4	4.5	1.3	11.3	3.2	3.3	2.0	0.9
Equal-Weighted Average	57.4	26.9	2.7	3.9	5.1	0.9	1.1	0.4	1.6

644 institutions provided investment pool asset class data. Table data are equal-weighted unless noted otherwise.

- Participating institutions with between \$51 million and \$100 million in investment pool assets hold, on average, the largest portion of equity in their portfolios (60.8%). Institutions with more than \$1.0 billion in investment pool assets hold the smallest portion of equity in their portfolios, 45.1%, on average. The institutions with the largest investment pools hold the greatest proportion of alternative investments.
- The percentage of holdings in hedge funds, private equity, and venture capital assets increases as aggregate investment pool assets increase. Independent institutions hold a considerably larger proportion of these assets than public institutions, on average.
- With the exception of institutions with more than \$1.0 billion in investment pool assets, as investment pool assets increase, the average percentage of bonds managed in the investment pool decreases.

Table 20  
Ten -Year Comparison of Asset Class Composition

Asset Class	2002 Equal- Weighted Average %	2001 Equal- Weighted Average %	2000 Equal- Weighted Average %	1999 Equal- Weighted Average %	1998 Equal- Weighted Average %	1997 Equal- Weighted Average %	1996 Equal- Weighted Average %	1995 Equal- Weighted Average %	1994 Equal- Weighted Average %	1993 Equal- Weighted Average %
Equity	57.4	59.4	62.1	64.3	63.5	63.4	60.9	56.9	54.3	53.0
Fixed Income	26.9	24.9	23.3	23.6	25.6	26.1	28.5	31.2	32.6	34.9
Real Estate	2.7	2.4	2.0	2.0	2.1	1.9	1.9	2.0	2.1	2.1
Cash	3.9	4.1	4.1	4.0	4.3	4.7	5.3	6.5	7.5	7.4
Hedge Funds	5.1	4.2	3.0	3.1	2.8	2.2	1.8	1.6	1.5	0.7
Private Equity	0.9	0.9	1.0	0.8	0.4	0.3	0.2	0.2	0.2	0.2
Venture Capital	1.1	1.5	2.4	1.4	0.7	0.7	0.7	0.6	0.5	0.5
Natural Resources	0.4	0.4	0.4	0.2	0.2	0.3	0.2	0.3	0.3	0.3
Other	1.6	2.1	1.7	0.5	0.4	0.4	0.5	0.7	1.0	0.9

644 institutions provided investment pool asset class data in 2002.

- An examination of average asset class allocations over a 10-year period shows an inverse relationship between equities and bonds; as the allocation for one increases, the allocation for the other decreases.
- The average allocations for hedge funds and private equity among portfolios increased steadily over a 10-year period, while the cash allocation has steadily declined. The average allocation for venture capital increased steadily until 2000 before reversing, while that for equities began reversing a year earlier.

Table 21  
Average Asset Class Composition by Public/Independent Institutional Classification

Investment Pool Assets	Total		Public		Independent	
	EW%	DW%	EW%	DW%	EW%	DW%
Equity - US	47.3	36.7	47.2	40.8	47.3	35.1
Equity - Global	2.9	2.7	2.1	3.1	3.3	2.5
Equity - Foreign	5.4	5.1	6.1	5.5	5.2	4.9
Equity - Emerging	0.7	1.9	0.8	1.3	0.6	2.2
Equity - Developed	1.1	3.7	1.0	2.8	1.0	4.0
Fixed Income - US	25.9	21.2	28.2	24.0	24.8	20.2
Fixed Income - Global	0.9	0.9	0.7	1.5	0.9	0.7
Fixed Income - Foreign	0.1	0.1	0.2	0.4	0.0	0.0
Fixed Income Emerging	0.0	0.3	0.0	0.0	0.0	0.4
Fixed Income Developed	0.0	0.8	0.0	0.1	0.0	1.1
Real Estate Public	1.2	1.3	1.7	1.7	1.0	1.2
Real Estate Private	1.5	3.2	0.9	1.6	1.8	3.8
Cash	3.9	1.3	3.7	2.1	4.0	0.9
Hedge Funds	5.1	11.3	3.5	8.1	5.9	12.5
Private Equity	0.9	3.2	0.6	1.9	1.1	3.8
Venture Capital	1.1	3.2	0.8	2.7	1.2	3.4
Commodities	0.0	0.4	0.1	0.2	0.0	0.6
Oil and Gas Partnerships	0.2	0.8	0.2	0.7	0.4	0.8
Timber	0.2	0.9	0.2	0.3	0.1	1.1
Other	1.6	0.9	2.0	1.1	1.4	0.8

644 institutions provided investment pool asset class data. EW% = equal-weighted average, DW% = dollar-weighted average.

- Independent institutions have larger investment pools than public institutions, on average, explaining why the dollar-weighted and equal-weighted values vary significantly for these asset classes, e.g., a greater concentration in alternative assets for the larger pools.

Table 22

## Average Asset Class Composition by Investment Pool Size

Investment Pool Assets	Greater Than \$1.0 Billion		\$501 Million - \$1.0 Billion		\$101 Million – \$500 Million		\$51 Million – \$100 Million		\$25 Million - \$50 Million		Less Than \$25 Million	
	EW%	DW%	EW%	DW%	EW%	DW%	EW%	DW%	EW%	DW%	EW%	DW%
Equity - US	32.2	29.3	40.4	40.0	45.9	44.5	50.3	50.6	50.1	50.1	49.6	51.0
Equity - Global	2.7	2.2	3.3	3.7	2.7	2.8	3.9	4.0	3.3	3.2	2.1	2.5
Equity - Foreign	4.9	3.9	6.5	6.3	6.4	6.4	5.8	5.8	5.8	6.0	3.1	3.5
Equity - Emerging	2.0	2.9	1.6	1.6	0.8	0.8	0.3	0.3	0.2	0.2	0.4	0.5
Equity - Developed	3.4	5.3	4.6	4.2	1.1	1.2	0.6	0.6	0.4	0.4	0.2	0.3
Fixed Income - US	18.9	20.3	16.8	16.7	24.5	24.0	27.0	26.7	27.5	27.2	30.5	29.1
Fixed Income - Global	1.0	0.5	2.3	2.6	0.7	0.8	0.4	0.4	1.1	1.0	0.5	0.6
Fixed Income - Foreign	0.1	0.2	0.3	0.2	0.1	0.1	0.1	0.1	--	--	0.1	0.1
Fixed Income Emerging	0.1	0.5	0.1	0.1	--	--	--	--	0.1	0.1	--	--
Fixed Income Developed	0.3	1.6	--	--	--	--	--	--	--	--	--	--
Real Estate Public	1.3	1.3	1.5	1.5	1.4	1.4	1.0	0.9	0.8	0.8	1.4	1.0
Real Estate Private	3.0	4.6	2.4	2.3	1.4	1.4	1.6	1.5	1.6	1.7	0.8	1.1
Cash	1.9	-0.2	1.3	1.5	2.8	2.7	3.5	4.4	3.9	3.9	4.8	6.2
Hedge Funds	17.8	14.7	11.4	11.5	6.7	7.4	4.1	3.1	3.2	3.4	1.3	1.7
Venture Capital	3.9	4.7	2.4	2.6	1.5	1.9	0.2	0.2	0.3	0.3	0.1	0.1
Private Equity	4.3	4.2	3.5	3.5	1.7	1.9	0.2	0.2	0.3	0.3	0.2	0.2
Commodities	0.2	0.9	--	0.1	--	--	0.0	--	0.1	0.1	--	--
Oil and Gas Partnerships	0.9	1.0	0.7	0.8	0.4	0.5	0.1	0.1	0.1	--	--	--
Timber	0.5	1.7	0.1	0.1	0.2	0.2	--	--	--	--	--	--
Other	0.5	0.5	0.8	0.7	1.7	1.7	0.9	0.9	1.3	1.3	2.9	1.9

644 institutions provided investment pool asset class data.